GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:135
ANSWERED ON:16.11.2007
OPENING OF NEW AGRICULTURAL ACCOUNTS
Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

(a) the total number of New Agricultural Accounts opened by the Public Sector Banks during the last three years as against the targets set by RBI/NABARD, State-wise;

(b) the target fixed for disbursal of agricultural loans to farmers, during the last three years and the achievements made therein, State-wise;

(c) whether any proposal is under the consideration of the Government to further reduce the interest rates to agricultural/crop loans to farmers; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) : As per the Farm Credit Package announced by the Government on 18.06.2006, 50 lakh new farmers were to be financed each year by Commercial Banks including Regional Rural Banks during the next three years. The number of new farmers accounts opened by the Public Sector Commercial Banks during the year 2004-05; 2005-06 and 2006-07 were 45.50 lakhs; 42.55 lakhs and 44.52 lakhs respectively. No targets were fixed State-wise for opening such accounts.

(b) : The targets fixed for Credit Flow during the last three years i.e. 2004-05; 2005-06 and 2006-07 were Rs.104500 crore; Rs.141000 crore and Rs.175000 crore respectively. The disbursal during 2003-04; 2004-05; 2005-06 and 2006-07 were Rs.86981 crore; Rs.125309 crore; Rs.180485 crore and Rs.203296 crore respectively. Three years State-wise details for disbursal of loans is at Annex.-I.

(c) & (d) : The Government has decided to ensure that farmers receive Short Term Credit at 7% with an upper limit of Rs.3 lakh on the principal amount since 2006-07. Public Sector Banks, Regional Rural Banks(RRBs) and Cooperative Banks are being provided interest subvention on their own involvement of funds @ 2%. The Government is also providing interest subvention to NABARD and concessional refinance to RRBs and Cooperative Banks for the purpose. Further, there is no proposal to lower this rate of interest.